# TAX SYSTEM

Address of A. Y. Ford to the Members of Kentucky Press Association.

### PRESENT MODE COSTS HEAVILY

Tax Revision Does Not Mean Exemption. But Fair Apportionment on All Kinds of Property-It Means Uniformity.

Louisville.-The following is the address of Mr. A. Y. Ford before the Kentucky Press association at the mid-winter gathering in Louisville:

The tax system of a state deserves

careful consideration, because the power to tax is the power to destroy. a tax unwisely laid may easily drain the life of a community or kill an industry. Approximately \$20,000,-000 a year are taken from the pockets of the people of Kentucky for the support of the state, county and municipal governments. It is incomprehensible that a thing which means so much in dollars and cents to the people of the state should generally have received such seant consideration. It is difficult to understand why it should have been so hard at any time to sefrom those charged with the duty of making our laws a careful. thorough and conscientious study of the methods by which these large revenues are raised. We have no special complaint to make of the way which these revenues are spent. There has been no considerable extravagance in the expenditure of our public funds. It is therefore time that we now ston to consider carefully whether these large sums are raised by the best possible methods, whether they are raised in a way that distribthe burden fairly as between the owners of various kinds of property, whether the tax laws impose the least burden consistent with the demand for revenue, and whether they so distribute the burden as to offer the least possible hindrance to the development of the state. Where there is compatition between communities such as necessarily exists under modern conditions, an unwise system, laid without due consideration of the handicap It may impose upon the community in the sharp compelition for new popula-

to from stocks and bonds and other ty of that intangible kind which nelly be hidden. of free to its in deciving large of eisewhere in deciving large from this kind of property which in our state? I make no anneal tax dedger. I favor no exemption of property. I advocate a

# Facts and Not Theories

this year. That is numbers ab-y. Let us address ourselves to the Let us face the conditions as they he laws of economics and of human as they are—and not as we think should be.

cky is what is known as the Gen-raterty Tax System. It is a sy-drich came into existence many ago when property existed in simrs ago when property existed in sim-form, when most that a man had ild be in shape of lands and houses. He stock or a stock of goods, or er things visible to the eye and easily.

In that day it served its pur-icity well, but that day has been controven and the system which sufe form, when the long outgrown and the system which sufficed then is now being generally abandoned because it has been found impossible to adapt it to the many new forms of property which have come into existence with the tremendous industrial and commercial development of recent years. We have now manifold forms of property that were not even dreamed of at the time the general property lax came interaction with the varied forms of property following it, together with the wide distribution of securities, has entirely changed the complexion of affairs.

A system of taxation which could derive revenue from lands and houses and other kinds of visible property, which are fixed, nailed down, and unable to escape, is by no means fitted to derive a revenue from bonds and stocks and money and other forms of intangitle personal property. Hike bonds and stocks and money and other forms of intangitle personal property. Hike bonds and stocks and money and other forms of intangitle personal property. Hike bonds and stocks and money and other forms of intangitle personal property.

# The Gap Widens.

Even in the earlier days of corporate development, the misht was not quite so had as it is to-day. Year by year, however, bonds and stocks and notes and other froms of latangible personal property represent a larger and larger percentage of the total property of the community. Year by year, at the same time, the demands for revenue for public purposes, such as good roads, good schools, etc. become heavier and the tax rate goes higher and higher. At the same time the yield from bonds and stocks has grown singler and smaller. In earlier days railroads thought nothing, for instance, of issuing 7 per cent bonds. Today any standard railroad would consider liself disgraged in the matter of

It is in-order to cure this injustice and the evils attended in the the resident is negled in Kennucky. The evil har been one The States of the Lydon are trapidly abandoulus this yes tem. No state has ever successed in devising a system of peculities and assessment as a significant has could compelling and he made the income trapidly abandoulus this yes tem. No state has been properly to stand and to income the income and compelling and he income the are runs amounts to combestion of an large a part of the formation in Kennucky. The state has to come the results and the comment of the property comments. The state has the comment of the comment of the property of the comment of the property of the comment of the comment of the property of the comment of the property of the comment of the comment of the property of the comment of the property of the prope

the sharp compelition for new population, new industries and new capital, may easily prove destructive of prosesting the state.

Revision Does Not Mean Exemption. The movement for a revision of the tax system of Kentucky is not a movement for favor of exemption of any kind of property from treation. The movement for a revision of the tax system of Kentucky is not a movement in favor of exemption of any kind of property from treation. It know it because it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to take not understand the tax laws, or it is able to employ the best legal counsel to tax an actual form a portion of the propose of the state. The best man can take the greatest respect which reveals a total misunderstanding of the spate in the case spate in the propose of the propose of the movement for tax diet. I state deliberately, and with fall the case of the proposed revision of the tax system of Kentucky has every understanding to the proposed revision of the tax system of Kentucky has every the proposed form nearly to the proposed revision of the tax system of Kentucky has every the proposed form tax late. The proposed that any class of property that the proposed the proposed revision of the tax system of Kentucky has every the proposed form tax late. The proposed the proposed revision of the tax system of Kentucky has every the proposed form tax late. The proposed the proposed form tax late. The proposed the proposed revision of th has made a partial finds that the notes finds that the notes representing his de-forred payments are also taxed, and the lender may be trusted to arrange matters so that the owner of the property will stand the burden of the tax on those notes, practically making him may double tax to the extent of his unpaid purchase

# Costs the State Heavily.

I have seen it stated recently that the three years ago about and otherwise I personal ence and otherwise I personal i more than five million dollars at that had been invested in Ki, but had been recently closed taken from the state because are found that under more adverse found that under more adverse closewhere they contains a closewhere contains a closew where found that under more advantageous tax taws elsewhere they could get greater yields from their investment. This money was not taken from the large centers of population like Louis-ville. It was taken from small communities where the withirmwal of flowers or 100,000 meant a rather serious contributed in the available.

# We Need Outside Capital.

It has not been long since I heard the speaker at a public gathering that we do not need foreign capital in Kentucky. I am quite sure no editor of a Kentucky newspaper will agree to this. Practically all of the development of the resources of Kentucky that has taken place has been by the aid of forcign capital. It must have been so. We did not have the capital ourselves. If we do not get it from the outside, we would not have it at all. The development now going on in Eastern Kentucky is almost wholly by means of outside capital. We need this outside capital. We want it to come. We want it to stand for its fair share of the burden of our expenses. It is not proposed to exempt it from taxation in order to get it, but it is proposed to adjust the taxes upon every form of capithe burden of our expenses. It is not proposed to exempt it from taxation in order to get it, but it is proposed to adjust the taxes upon every form of capital that comes with a reasonable view to the profit it expects to yield its owners and also with an eye out for the competition between one State and another in the advantages offered for such investments.

# Some Absurd Results.

Some Absurd Results.

Let me peint out a few of the absurdities in practice in enforcing the general property tax in Kentucky. Let us suppose a man with a thousand dollars in a savings ageount in boulsville. At the prevailing rate of interest, three per cent, he would realize is one year thirty dollars on his savings. He would pay \$25.55 of this \$35.00 in taxes. I do not know what the tax rate new is in Paducah. Several graves ago it was \$3.10 on the \$100.00 if this man had his thousand dollars deposited in a Paducah bank at three per cent interest, he would have realized \$30.00 s year from his investment, and he would have paid \$31.00 in taxes, paying a genalty for being thrifty. In view of files, it is ne wonder that out of more than \$1,000,000 of savings in the United States has make that little corner of the savings banks in Kentacky. The more liberal colloy pursued by the New Rusband States has make that little corner of avings funds, the great reservoir of taxings funds, the hearted dollars of people of wall means which in the aggregate make such at anormous sum, that every great enter urise with a deseawlay bond jesse to figure to the New England make anoth at anormous sum, that every great enter urise with a deseawlay bond jesse to figure to the New England market.

Banks Protect Themselves.

The larger the percentage of income taken by a tax the greater incentive to evasion, undervaluation and perjury in the recent a point where to pile further taxes on a tax rate already high does not yield a proportionate increase of revenue.

We Have Tried it Nineteen Years.

We fixed this system in the new constitution nineteen years ago. Our intentions were good. We noted with the best light we had at that time Unfortunately, however, at the time we adopted it, the system was being abundoned eisewhere. It is not yielding sufficient revenue for a progressive state. It hampers industries it burdens the poor man, it drives capital out of the state, or into forms of investment that do not develop the resources of the state.

It is a mistake to suppose that it is the

Can Se Brought Out.

It may be arged that lowering the rate on property of this character will not bring it out for taxation. We can only point to the experience of other States in this respect. Howam nature is profit much the same everywhere. Most men would rather be honest about their assessments if they can be so without suffering confiscation. The change of rate on this class of pracerty has multiplied

slowly The government must go on. Revenue must be had. Revision must be cautious, it should preferably be assisted by a tax commission gathering information for the Legislature to accupen. It should be along a consistent line designed to end in a system under which the courses of revenue shall. purposes and for Municipal purpose only; still other property for Compurposes and for County purposes and yellowed at some rate from purpose and for one purpose only that rate being as fairly as possible a justed to the normal income from proceeding of that class and collected by it method that will yield the largest r

do it. And at every step of the progr from the old method to the new, work would be in the hands of chosen representatives of the people

# The Goal To Be Reached.

he formulating of the new system the working out of its details show be done most cautiously, but always with a view to finally reaching a point where the State would raise its entire revenues from one class of property the Countles from another class of property, and the Cities from still an the Counties from another class of property, and the Cities from still another. Under such a system, when completely in effect, farming lands would be taxed only for local purposes. They should not pay a cent of tax for State purposes. No kind of property taxed for State purposes should be taxed for local nurposes, and none taxed for County or City purposes should be taxed for State purposes.

By this separation of sources of revenue we avoid that piling up of one tax rate on another which makes the burden so heavy in Kentucky, and by this classifying of property according to its canacity for standing a tax proportionate to the income it yields, we remove the incentive which our present system furnishes to undervaluation and evasion and per-

jury.

I am not pointing out an ideal or un tried system. This system has been followed and is being followed successfull elsewhere. There is no reason why should not prove equally successful Kentucky. It holds out the hope of reason.

of.

I trust I have made it plain that tax

I trust I have made exemption for I trust I have made it plain that tax revision does not mean exemption for anybody. It means merely a fair apportionment of the burden as to kinds of property. It means an abandonment of a system that promises ideal uniforming in theory, but in practice has resulted in the grossest unfairness to all visible forms of property and the practical exemption of millions. It means passing in the hands of the Legislature the power to vary the rate and the method at all times to suit changed and changing forms of property, so that if property will not stand to be taxed by one method, we may reach it by another; and so that if one rate is found too high for a class of property thaving reference to the income that property yielder a different rate may be tried in the interest of larger revenue as well as of fairness. So that, in short, we may be free to deal with a question of such importance at all times as any business man woulded with the constantly recursing problems in his business life, chancium; himstored of take advantage of his own experience and the experience of other and of all of the information he can get

# To Those Who Got No Paper This Year.

Quite a number of the subscribers to the Crittenden Record-Press have not received a

the Crittenden Record-Press office. But it will be for other reasons.

paper since January 1st. There is a reason for this. It will not be the fault of the postoffice, the mail carrier or

One reason is that under the postal laws, we are not allowed to send the paper longer than nine months if it has not been renewed. The postal authorities require an affidavit from the publisher that he has no names on his list whose times have been out over nine months. The publisher of this paper cannot make such an affidavit until quite a number of names are removed from the list which has been done. So if your substitution is as much as nine months past due you may know that is the reason your paper cannot be delivered to you any longer. If you desire it you should renew without delay.

There is another reason why others will not receive their papers who are not it arrears nine months or at all. It is because we have adopted the stop-when-out system which is the only successful way to conduct a newspaper like the Crittenden Record-Press. We have no way of knowing who wants the paper sent on and who wants it stopped unless the person wanting renews before his time is out. It frequently happens that a subscriber who takes the paper for a year, pays for it and does not want it again, is annoyed by the paper being sent on and later followed by a dun. We have numerous requests from subscribers to be sure and stop their paper when out unless they renew. Others tell us to keep on sending it. It is simply impossible for us to remember what each subscriber told us or to keep a set of books along that line. The result is confusion and frequently hard feeling.

So we have adopted the RULE to STOP the paper when the time is out. A subscriber buys a dollars worth of the Crittenden Record-Press and we shall send him a dollar's worth. If he orders a dollar's worth of sugar from his grocer, the grocer will not send him another dollar's worth without another order. So if you are behind at all in your subscription, but if your time has just expired you may know the reason your paper does not come any more.

There is yet another class of subscribers who receive no paper. This class is not nine months or more behind, nor has their subscription just expired. It is a class between the

Some of these subscriptions have not been out long, some are nearly nine months over. due, while others range from two, three, four, five, six, seven or eight months in arrears. But in order to treat every subscriber just alike and to start the stop-when-out plan, and get the entire list on a business basis, these will fail to receive a paper also. It would not be fair or good business to stop the man's paper whose time has just expired or the man's paper who is nine months behind although he may be as good as gold and yet continue to send the man a paper who is three or six months behind. We could never put the system into operation were we to do that. We have already given two months notice that January 1, 1911, the Crittenden Record-Press would adopt that rule.

If anyone has paid and has a receipt given prior to Nov. 4. 1910, by Mr. Calmes for a year's subscription and have not had credit on the books, come in with your receipt and we'll correct the over sight.

### NOW A WORD!

We want every one to continue taking the Crittenden Record-Press. We believe every fairminded man will agree that this is the only correct way that we can run the paper. We are making it better than has been. And while we announced that after January 1, the price will be \$1.50 a year, yet owing to the lack of a tobacco season and probably not all understanding the announcements fully, and in order to give all a fair chance to renew at \$1.00 who desire to, we have decided to extend time, and you can get the

Crittenden Record-Press at \$1.00 a Year by Paying all Arrears and Renewing Before February 1st.

# HARVEY PORTER.

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Under this offer, Courier-Journal will be sent to subscribers only through the post-office, not eight months.

The Tariff question in Con- as possible. gress and Mr. 'Watterson's letters from Europe will make the Courier-Journal especially interesting for the next few months. NOTICE TO ELECTRIC

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# Administrators Notice.

All notes, due me as adminithrough Courier-Journal agent, strator, of the estate, of my fa-No Courier-Journal orders for a ther, the late W. F. Summerville, full year be taken at this rate. matured Jan. 1st, 1911 and you South, Paducah, Fulton, Memphis, Subscription must be for not less, requested to call and pay same and New Orleans. than four months or longer than without delay as I wish to settle the business at as early a date

J. R. Summerville.

# LIGHT PATRONS

Please report all trouble to the Power House. Call 122, mornback. Sutherland's Eagle Eye Salve ings before 8 o'clock or after-Marion Electric Light & Ice Company Incorporated.

# LOCAL TIME CARD

# Illinois Central RAILROAD

# NORTH BOUND

WALLES ATTES	recommi	Mark Mil	Mes.	
Hopkinsville .	5:40	A.	M.	
Marion	8:00	**	+4	
Evansville	10:50	34	**	
Evansville & 1	Mattoon E	xpi	ess	
Hopkinsville	11:25	A.	M.	
Marion	3:30	P.	M.	
Evansville	6:25	P.	M.	
SOUTH BO	UND			×,
	Hopkinsville Marion Evansville Evansville & I Hopkinsville Marion Evansville Mattoon Chicago	Hopkinsville         5:40           Marion         8:00           Evansville         10:50           Evansville & Mattoon E           Hopkinsville         11:25           Marion         3:30           Evansville         6:25           Mattoon         11:15	Hopkinsville         5:40 A.           Marion         8:00 "           Evansville         10:50 "           Evansville & Mattoon Expr           Hopkinsville         11:25 A.           Marion         3:30 P.           Evansville         6:25 P.           Mattoon         11:15 P.           Chicago         6:15 A.	Hopkinsville 5:40 A. M.  Marion 8:00 " "  Evansville 10:50 " "  Evansville & Mattoon Express  Hopkinsville 11:25 A. M.  Marion 3:30 P. M.  Evansville 6:25 P. M.  Mattoon 11:15 P. M.  Chicago 6:15 A. M  SOUTH BOUND

No. 321 Evansville-Hopkinsville Mail. Leave Evansville..... 8:10 A. M. Arrive Princeton 12:05 P. M.

Arrive Hopkinsville .... 3:50 P. M.

This TRAIN makes direct connection

Arrive Louisville..... 5:35 P. M. Cincinnati..... 9:15 P. M. Lexington 8:40 P. M. Huntington 2:10 A. M. Norfolk ..... 6:35 P. M. Washington, D. D. 2:40 P. M. New York City .... 8:15 P. M. No. 301. Evansville-Hopkinsville Mail. Leave Evansville 1:00 P. M.

Arrive Marion ...... 3:55 P. M. Arrive Princeton 4:50 P. M Arrive Hopkinsville 6:40 P. M. This TRAIN makes direct connection at Princeton with train No. 101 for the

> W. L. VENNER. Marion, Ky

# Notice To Creditors.

All parties having claims against the estate of J. T. Grifford, deceased, will file same with me, properly proven, as required by law, on or before Feb. 15, 1910, or else waive rights to collect same. 154tp. E. L. NUNN, Adm'r.